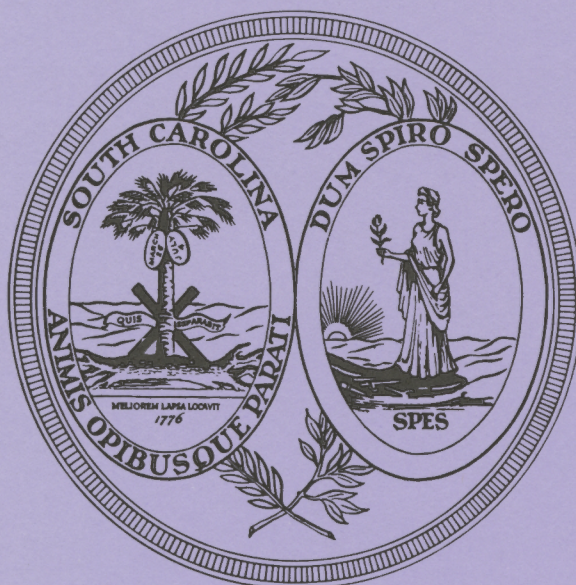


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**SOUTH CAROLINA
COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**



**ANNUAL REPORT
1991-1992**

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Columbia, South Carolina

October 14, 1992

TO: His Excellency Carroll A. Campbell, Jr.,
Governor of South Carolina, and Members of the
General Assembly

On behalf of the South Carolina Coordinating Council for Economic Development, I am pleased to transmit herewith its Annual Report, which delineates Council's activities during the 1991-92 fiscal year ending June 30, 1992.

This year marks the third reporting period for the implementation of the state's first strategic plan - "Meeting the Competitive Challenge." We will continue our efforts in the promotion and expansion of this ambitious blueprint for our state's economic future.

The Supplemental Economic Development Fund (Highway Set-Aside) continues to be an essential tool in the economic growth of our state. Over the past five years, 133 new and expanding industries, locating in 38 of the state's 46 counties, have benefitted from this valuable incentive. Our completion rate is equally impressive - 62 projects completed with 98% under budget.

Council continues to provide a forum for its member agencies that encourages open dialogue, and stimulates improved coordination. We must remain vigilant in our efforts to effectively allocate limited resources through improved coordination and continue to build an economic development climate that fosters new and expanded growth.

Respectfully submitted,

JOHN A. WARREN
Chairman

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STATEMENT OF PURPOSE

AUTHORITY

The South Carolina Coordinating Council for Economic Development was created in 1986 by an Act of the General Assembly (Act 423 of 1986) and signed into law by the Governor on May 23, 1986. **THE PURPOSE OF THE COUNCIL IS TO ENHANCE THE ECONOMIC GROWTH AND DEVELOPMENT OF THE STATE THROUGH STRATEGIC PLANNING AND THE COORDINATION OF THE ACTIVITIES OF VARIOUS STATE AND LOCAL AGENCIES.** The composition and its termination date was amended by the General Assembly in 1987 and signed into effect by the Governor on May 13, 1987.

**MEMBERS OF THE SOUTH CAROLINA
COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT**

S.C. STATE DEVELOPMENT BOARD

Mr. John A. Warren *

S.C. JOBS-ECONOMIC DEVELOPMENT AUTHORITY

Mr. Robert L. Mobley

S.C. DEPARTMENT OF PARKS, RECREATION AND TOURISM

Mr. William J. Sigmon, Sr.

S.C. BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

Mr. P. Henderson Barnette

S.C. RESEARCH AUTHORITY

Mr. Edward J. Sebastian

S.C. PUBLIC SERVICE AUTHORITY

Mr. John S. Rainey

S.C. PORTS AUTHORITY

Mr. Robert V. Royall, Jr.

S.C. DEPARTMENT OF AGRICULTURE

The Honorable D. Leslie Tindal

S.C. EMPLOYMENT SECURITY COMMISSION

Mr. C. Lem Harper

S.C. TAX COMMISSION

Mr. A. Crawford Clarkson, Jr.

DIRECTOR

Mrs. Deborah R. Bass

ADMINISTRATIVE ASSISTANT

Mrs. Debbie W. Griffin

* Council Chairman

HISTORY

The South Carolina Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the state. It was determined through studies done by the South Carolina Legislative Audit Council, the Business-Education Legislative Partnership Committee and the report on "Capital Markets in South Carolina" that formal establishment of the Council would enhance the economic growth and development of the State through strategic planning and coordination of those state and local agencies. Also, the Council could reduce duplication of effort, and thereby improve the economic well-being of the State's citizens.

Formally established in 1986 by the General Assembly (Act 423 of 1986), the Council is currently composed of eleven state agency chairmen. Meeting a minimum of four times annually, the chairmen of the member agencies consider strategies which will effect an ongoing planning process as it relates to economic development on a statewide basis.

Additionally, the directors of the member agencies are requested by the individual agency chairmen to meet on a regularly scheduled basis in order to enhance the efforts of the Council to eliminate duplication of effort in all operational areas of economic development thus providing for the first time in recent history a viable communications network between the member agencies.

Among the current projects being administered by the Council are the Economic Development Set-Aside Fund, the Strategic Plan for Economic Development in South Carolina and the S.C. Infrastructure/Economic Development Program (SCIP). Each of these programs will provide a positive impact on economic development in the State.

PROGRAMS

Economic Development Set-Aside Fund

In 1987 the General Assembly passed a bill that created the "Strategic Highway Plan for Improving Mobility and Safety," better known as the SHIMS project.

This legislation provided for an additional 3 cents per gallon tax on the sale of gasoline in the state. The revenues derived from the additional tax are to be used to establish a separate highway fund for the implementation of SHIMS.

The first \$10 million generated each year from the additional tax will be used to create an "Economic Development Account"--the \$10 million set-aside fund--to be used as authorized and administered by the Coordinating Council for Economic Development.

The purpose of the fund is to enhance the economic well being of the state by providing a quick response to project requests that have been deemed necessary for economic development, such as a new plant location or the expansion of existing business.

It was determined that in order to make South Carolina more competitive with neighboring states, improvements to the current structure of highway allocations and the programming process would need to be made.

Before the set-aside fund was established, the process used did not lend itself to tangible and immediate commitments needed by a prospective company to expand or locate in South Carolina.

Since the inception of the program in November of 1987 through fiscal year end June 1992, 159 applications have been received and processed - 133 approved as follows: 1987/1988 - 14 projects, 1988/1989 - 21 projects, 1989/1990 - 39 projects, 1990-1991 - 34 projects, and 1991-1992 - 25 projects. Funding from this program has provided necessary road improvements in 38 of the state's 46 counties, creating more than 18,000 new jobs for our citizens and over \$3.0 billion dollars in capital investments.

Criteria and qualifications for projects include the number of jobs created or saved, the type of industry (manufacturing, distribution, warehouse, or corporate headquarters), the county in which the project is to be located or expanded, unemployment rate in that particular county, the total invested dollars (land, building, machinery and equipment cost), future tax revenues anticipated, the time frame for completion of the construction of the facility as well as road needs, funding sought from other sources and whether it is a new facility or the expansion of existing industry.

The fund is not used for the purpose of opening up access to undeveloped property; any state government funded projects; for the maintenance of industrial/research parks; shopping centers/strip malls; civic centers and/or auditoriums; or the paving of parking lots or lighting.

Rather, it is used for economic development and such items as engineering, planning, developing and implementing construction of new roads or improvements and modifications to existing roads to provide better site and plant access. Additionally, funding may be approved for the purpose of site preparation if the capital investment is one hundred million dollars or more.

County road improvement funds set aside for industrial and economic development should be utilized fully before an application is made to the Council. In order to apply for funds from the set-aside account, completed applications must be submitted to the Coordinating Council. Upon receipt by the Council, each application is reviewed for accuracy and forwarded to the Highway Department for a preliminary study, which includes budget figures and a time frame for completion of construction. Once the Highway Department completes the preliminary study and notifies Council of its findings, action is taken to approve or disapprove the project. The five member Highway Set-Aside Committee considers all requests for funding up to \$1 million dollars - requests in excess of this amount must be considered by the full Council.

In certain situations, it may be necessary for Council to make a commitment for funding prior to receiving an application. This commitment would be used as part of an incentive package to encourage the location of a new industry or the expansion of an existing industry.

PROJECT COMMITMENTS 1991/92

<u>PROJECT NAME</u>	<u>COUNTY</u>	<u>AMOUNT</u>
Sara Lee Corporation	Greenwood	170,000.00
Fabcon Industries*	Berkeley	26,750.00
Mid Atlantic Drainage	Horry	56,400.00
Hopkins Shop*	Berkeley	43,250.00
Wellman, Inc.	Florence	600,000.00
Frank & Sons Mfg.	Horry	70,000.00
Ctr. Cancer Treatment and Research	Richland	280,000.00
Carlisle Tire & Rubber	Aiken	150,000.00
Hoffmann-La Roche	Florence	1,500,000.00
Reliance Electric	Greenville	265,000.00
Asten Dryer Fabrics	Colleton	56,300.00
Perdue Farms, Inc.	Dillon	555,000.00
Steveconnit Fabrics	Edgefield	500,000.00
United Technologies	York	100,000.00
BMW Project	Spartanburg	3,800,000.00
Teledyne Allvac	Chester	300,000.00
Carolina By-Products	Orangeburg	92,500.00
Cope Power Plant	Orangeburg	200,000.00
Metal Leve, Inc.	Sumter	185,000.00
Robert Bosch Corp.	Anderson	150,000.00
General Graphics	City of N. Chas.	72,000.00
Union Times Co.	Union	50,000.00
Dynapower/Stratopower	Charleston	150,000.00
Krohnert Stainless	Clarendon	73,000.00
Confidential Project	Laurens	500,000.00
Confidential Project	Oconee	100,000.00
Confidential Project	York	500,000.00
Infrastructure Overlay Study (SCIP)		60,000.00
Preliminary Engineering Allotment - SC Dept. of Hwys. & Public Transp.		50,000.00

*** Amendments to original contracts in previous fiscal years**

Strategic Plan For Economic Development

The Coordinating Council, in its enabling legislation, is charged with the responsibility of creating a strategic plan for the economic development of South Carolina. Following concepts as outlined in Leadership for Dynamic State Economics, published by the Committee for Economic Development (an independent research and educational organization of over two hundred business executives and educators), the Council determined to undertake the planning assignment through a public-private partnership of the business, government and academic sectors. This partnership would work with a nationally recognized consulting firm to research, draft, and implement an overall economic development plan for the state.

Funding for this plan was provided by the General Assembly in the SHIMS legislation of 1987 which allocated a one time expenditure not to exceed \$250,000.00.

The planning document took approximately one year to complete and it incorporated the strategic findings of the Governor's Task Force on Agriculture and Rural Development and the Council on Competitiveness.

The overall goal of the project was to develop a strategic plan or "blueprint for the future" for economic development in South Carolina. The strategic plan was developed and is being implemented based on a public-private consensus. The development of this consensus comprised a critical part of the strategic planning process.

The project was divided into two major phases--Development of Goals and Strategy Development and Implementation. Each phase includes specific tasks as set out in the Request For Proposal. These tasks are as follows:

PHASE 1 - DEVELOPMENT OF GOALS:

- * Analyze Economic Trends and Resources
- * Analyze and Develop Detailed Information on Economic Opportunities
- * Define Goals for Economic Development Strategy

PHASE 2 - STRATEGY DEVELOPMENT AND IMPLEMENTATION:

- * Design Implementation Plan for Economic Development Strategy
- * Establish Monitoring Procedures for Strategy Implementation

On February 23, 1989 Council had the distinct pleasure of presenting a copy of the Executive Summary of the Strategic Plan to Governor Carroll A. Campbell, Jr. and to the leadership of the General Assembly.

Council has begun the implementation process, which addressed the immediate or short-range strategies and then proceeded to the more long-range strategies. Initially, twenty-six strategies were identified containing fifty-eight initiatives. Twenty initiatives were addressed and implemented during FY 88-89, and a progress summary was presented to the Governor in December of 1989. The 1990-91 summary of accomplishments reported the implementation of twenty-two additional initiatives. The 1991-1992 FY marks the third reporting period since the execution of the state's first strategic plan and the implementation of twelve initiatives, bringing the total number of initiatives addressed to fifty-four.

The achievement of this ambitious vision has been centered around three key goals:

- * Increase per-capita personal income: S.C. should reach parity with the average per-capita income of its neighboring Southeast states of Georgia, North Carolina, Tennessee, Alabama, and Mississippi.
- * Expand employment opportunities: S.C. should expand employment opportunities sufficiently to accommodate a larger population, higher labor force participation, and low

unemployment levels. Accordingly, the state should maintain unemployment at or below the national average, while increasing the labor force participation rate to that of the U.S. average.

- * Achieve balance growth in the statewide economy: S. C. should further diversify its economy and ensure that economic benefits are experienced throughout the State. Therefore, S. C. should diversify its economy both within and across the various economic sectors (with special attention given to high-value-added jobs and investments). Also, the state should reduce disparities in per-capita personal income levels among counties.

This compass for growth will encourage a competitive, market-driven economy and maintain a competitive edge for the state in an increasingly complex world economy.

S.C. Infrastructure/Economic Development Program (SCIP) (Geographic Information System)

During the 1987-88 legislative session, the General Assembly authorized the Coordinating Council for Economic Development to develop and implement an infrastructure/economic development model to assist in the evaluation of major state-funded highway projects in South Carolina.

Council recognized the importance of and the opportunity for creating a computerized infrastructure model that would enhance economic development through cataloguing infrastructure information, establish a cooperative regional network for technology utilization, and serve as a competitive tool for economic development. The State Development Board was designated as the project coordinator for the design and implementation of this geographical information system.

To assist in the program, a technical GIS center was established at the University of South Carolina to provide statewide technical support. The program received a major grant from the U. S. Department of Housing and Urban Development to fund the collection of water and wastewater data by the 10 regional planning

commissions and the procurement of satellite land use/land cover data. A second grant was received from the Appalachian Regional Commission (ARC) for the establishment of a regional center at the Appalachian Regional Council of Government, and model-building by Clemson University.

ACCOMPLISHMENTS FOR FY 1991-92

A. Database Development Continued

- Designed a computer program which produces standard statistical summaries of all 598 Public and Municipal Water and Wastewater Systems in the SDB/GIS database. Computer updates are provided every 30 days through a cooperative agreement with DHEC.
- Designed, managed, and implemented a program for the Governor's Office of Economic Development which will add 900 private water and wastewater systems to the SDB/GIS database.
- Initiated and managed a program for quality control of 1150 industrial sites/parks distributing the SDB/GIS industrial site products to all 46 county economic development allies for review.
- Coordinated and managed the purchase of statewide aerial photography.

B. Applications

- Provided analysis and maps for 87 prospect projects. This included 204 customized and 639 standard maps and displays.
- With funding from the SC Ports Authority, designed and installed multimedia technology for large screen presentations.

C. Statewide Network

- Nine of the 10 Councils of Government (COG) and Regional Planning Commissions (RPC) have become regional GIS centers by investing in GIS technology. Data is being provided by SDB/GIS.
- Cooperation and standardization among network participants was actively encouraged through regular meetings with the COG directors and trips to each of the 10 COG's to meet with technical and data collection staffs.

D. Awards

- Won the "Best Project" award at the Urban and Regional Informations Systems Association (URISA) annual meeting competing against 32 international projects.

The S.C. Infrastructure/Economic Development Program (SCIP) will provide valuable assistance to policy makers on state, regional, and local levels as critical decisions are made for the future direction of South Carolina in the areas of planning, infrastructure development, and economic development strategies.

space. (S) (P)

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**

FINANCIAL SUMMARY 1991-1992 *
OPERATING BUDGET

SOURCE OF FUNDS:

<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Earmarked</u>
Allocation for Operating and General Expenses by Agency:			
SCSDB*		\$	-0-
SCDA			5,000.00
SCESC			5,000.00
SCDPRT			5,000.00
TECH. EDUC.			5,000.00
SCSPA			5,000.00
SCPSA			5,000.00
SCJEDA			5,000.00
SCRA			5,000.00
SC TAX COMM.			5,000.00
Total Agency Contribution		\$	45,000.00

SCSDB* - In-Kind Contributions:

Office Space, Personnel, Copier, Postage, and Finance/Administration	\$ 54,689.89
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*** The CCED was audited by the State Auditor's Office
June 30, 1991.**

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**

FINANCIAL SUMMARY OF PROGRAMS
1991-1992

SC INFRASTRUCTURE/ECONOMIC DEV. PROGRAM (SCIP) FY 91-92

REVENUE

Gas Tax 4350 FY 91-92 \$ 60,000.00

EXPENDITURE (RECURRING)

SCIP - Geographic Information System - 60,000.00

BALANCE

\$ 0.00

PUBLICATIONS OF
THE SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT

State of South Carolina Coordinating Council For
Economic Development - Meeting The Competitive
Challenge, Volume I: Strategic Plan For Economic
Development

A Strategic Plan For Meeting The Competitive Challenge-
Executive Summary

A Strategic Plan For Meeting The Competitive Challenge-
Progress Report 1989: Summary of Major Accomplishments

A Strategic Plan For Meeting The Competitive Challenge-
Progress Report 1990: Summary of Major Accomplishments

A Strategic Plan For Meeting The Competitive Challenge-
Progress Report 1991: Summary of Major Accomplishments

State Computer Infrastructure Study: Data Center
Consolidation Feasibility Study - Phase I

South Carolina Coordinating Council For Economic
Development Annual Report

South Carolina Coordinating Council For Economic
Development Guidelines and Procedures For Supplemental
Economic Development Program Highway Set-Aside Fund

* The CCED was audited by the State Auditor's Office
June 30, 1991.

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**

COMMITTEE ASSIGNMENTS

HIGHWAY SET-ASIDE COMMITTEE

John A. Warren, Chairman
Member, Select Oversight Committee (SHIMS)

Robert V. Royall, Jr., Vice Chairman
Member, Select Oversight Committee (SHIMS)

P. Henderson Barnette
John S. Rainey
Bob Mobley

Task Completed



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SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT
HIGHWAY SET-ASIDE COMMITTEE
CHALLENGE, Volume I: Strategic Plan for
Economic Development

State of South Carolina Coordinating Council For
Economic Development - Highway Set-Aside
Committee Challenge, Volume I: Strategic Plan for
Economic Development
John A. Warren, Chairman
Member, Select Oversight Committee (SOM)

Member, Select Oversight Committee (SOM)
Vice Chairman, Highway Set-Aside
Committee Challenge, Volume I: Strategic Plan for
Economic Development

P. Henderson Barnett
John A. Warren, Chairman
Member, Select Oversight Committee (SOM)

John A. Warren, Chairman
Member, Select Oversight Committee (SOM)
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Printing Cost - Individual Agency (requesting over 255 copies
and/or halftones)

\$

Total Printing Cost

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South Carolina Coordinating Council For Economic
Development Annual Report

South Carolina Coordinating Council For Economic
Development Guidelines and Procedures For Supplemental
Economic Development Program Highway Set-Aside Fund